

SENATE BILL 917

By Niceley

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 4, Part 10, relative to tobacco and
tobacco products.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-1004(a), is amended by inserting the language "Except as otherwise provided in this subsection," at the beginning of the subsection.

SECTION 2. Tennessee Code Annotated, Section 67-4-1004(a), is further amended by designated the existing language as subdivision (1), as amended by Section 1, and by adding the following as new subdivisions:

(2) In lieu of the rate of the tax provided in subdivision (a)(1), the rate shall be:

(A) For the fiscal year beginning July 1, 2013, and ending June 30, 2014,
two cents (2¢) on each cigarette; and

(B) For the fiscal year beginning July 1, 2014, and ending June 30, 2015,
one cent (1¢) on each cigarette.

(3) No tax shall be imposed on cigarettes on or after July 1, 2015; provided, however, this subdivision (a)(3) shall not be construed to absolve any taxpayer of liability for any tax duly imposed by this section, during any tax period that began prior to July 1, 2015.

SECTION 3. Tennessee Code Annotated, Section 67-4-1005, is amended by deleting the section in its entirety and by substituting instead the following:

67-4-1005.

(a) Except as provided in subdivision (b), the rate on all other tobacco products, including, but not limited to, cigars, cheroots, stogies, beedies, bidis, manufactured

tobacco and snuff of all descriptions whether made of tobacco or any substitute for tobacco, shall be six and six-tenths percent (6.6%) of the wholesale cost price.

(b) In lieu of the rate of tax imposed pursuant to subsection (a), the rate shall be:

(1) For the fiscal year beginning July 1, 2013, and ending June 30, 2014, five and five-tenths percent (5.5%) of the wholesale cost price;

(2) For the fiscal year beginning July 1, 2014, and ending June 30, 2015, four and four-tenths percent (4.4%) of the wholesale cost price;

(3) For the fiscal year beginning July 1, 2015, and ending June 30, 2016, three and three-tenths percent (3.3%) of the wholesale cost price;

(4) For the fiscal year beginning July 1, 2016, and ending June 30, 2017, two and two-tenths percent (2.2%) of the wholesale cost price; and

(5) For the fiscal year beginning July 1, 2017, and ending June 30, 2018, one and one-tenths percent (1.1%) of the wholesale cost price.

(c) No tax shall be imposed on all other tobacco products on or after July 1, 2018; provided, however, this subsection (c) shall not be construed to absolve any taxpayer of liability for any tax duly imposed by this section, during any tax period that began prior to July 1, 2018.

SECTION 4. This act shall take effect July 1, 2013, the public welfare requiring it.